GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:476
ANSWERED ON:06.04.2017
Bids for Power Transmission Sector
Dev Km. Sushmita;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of POWER be pleased to state:

(a) whether several Chinese companies are gearing up to participate in the bids invited by Union Government and State sector utilities for power transmission sector across the country;

(b) if so, the details of the bids invited by the Union Government and State sector power utilities during the last three years and the current year, year-wise;

(c) the grounds on which the Government and State sector power utilities have invited bids from foreign companies for power transmission sector;

(d) whether indigenous trade bodies/ manufacturers associations have raised concern over the entry of foreign companies in country''s power transmission sector, particularly companies from China; and

(e) if so, the facts and details thereof and the reaction of the Government in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) to (e) : A Statement is laid on the Table of the House.

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STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO.476 TO BE ANSWERED IN THE LOK SABHA ON 06.04.2017 REGARDING BIDS FOR POWER TRANSMISSION SECTOR.
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(a) : Yes, Madam. Chinese companies or its subsidiaries are participating in the bids invited by Bid Process Coordinators (BPCs) [RECTPCL and PFCCL] for development of various Inter State Transmission Schemes in the country.

(b) : The details of bids invited for Inter State Transmission Schemes during the last three financial years and the current financial year, along with details of Chinese participation in the bids, are furnished at Annexure.

(c) : The bidding conducted by BPCs are based on the "Tariff Based Competitive Bidding Guidelines for Transmission Service", "Guidelines for Encouraging Competition in Development of Transmission Projects" ("the Guidelines") and the Standard Bidding Documents notified by Ministry of Power, Government of India (GoI) for procurement of transmission services through tariff based competitive bidding process. REC Transmission Projects Ltd. (RECTPCL) and PFC Consulting Limited (PFCCL) have been appointed as the BPCs by the Government.

As per provision 9.2 of Tariff Based Competitive Bidding Guidelines for Transmission Service, the bidding shall necessarily be by way of International Competitive Bidding (ICB). Further, as per extant policy, Foreign Direct Investment (FDI) up to 100% is permitted in the power sector. Accordingly, any foreign power company can participate in the international competitive bids and enter power sector through FDI route.

In view of the above provisions, bids are invited by BPCs through ICB route.

(d) & (e) : Yes, Madam, indigenous trade bodies/manufacturers associations have raised concern over the entry of foreign companies in country''s power transmission sector, particularly companies from China.

A Committee has been constituted by Ministry of Power, Government of India to look at the issues raised.

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